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CANADA PENSION PLAN



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Survivor Benefits

The Simple Facts

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CANADA PENSION PLAN

Canada



This booklet on the **Canada Pension Plan survivor pension** contains general information only. When questions arise, the Canada Pension Plan legislation must govern. **The information is based on the legislation effective January 1987.**

If you need any further information or assistance after reading this booklet, please contact the **Income Security Programs, Client Service Centre nearest you**. The telephone number and address can be found in the federal government listing in your telephone directory under "Health and Welfare Canada". If you have a question about your own entitlements, please provide your full name and Social Insurance Number.

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A Your Canada Pension Plan

1. What is the Canada Pension Plan?

The Canada Pension Plan (CPP), which has been operating since 1966, is designed to help protect you and your family against the loss of earnings if you retire, become disabled or die. It is a contributory plan funded entirely by the contributions of employees, employers and the self-employed, as well as the earnings on the investments of the Canada Pension Plan Investment Fund. The Plan operates in all parts of Canada except in Quebec which has its own similar pension program, the Quebec Pension Plan (QPP).

2. How do I participate in the Canada Pension Plan?

You participate in the Plan through compulsory contributions based on your earnings from employment or self-employment. The earnings on which you contribute form the basis of your Canada Pension Plan entitlements. You could also be credited with earnings following a marriage breakdown if your former legal or common-law spouse was a Canada Pension Plan contributor. (More information on the division of pension credits is on the fact-sheet "YOUR CANADA PENSION PLAN - DIVISION OF UNADJUSTED PENSIONABLE EARNINGS").

3. Do I make contributions on all my income?

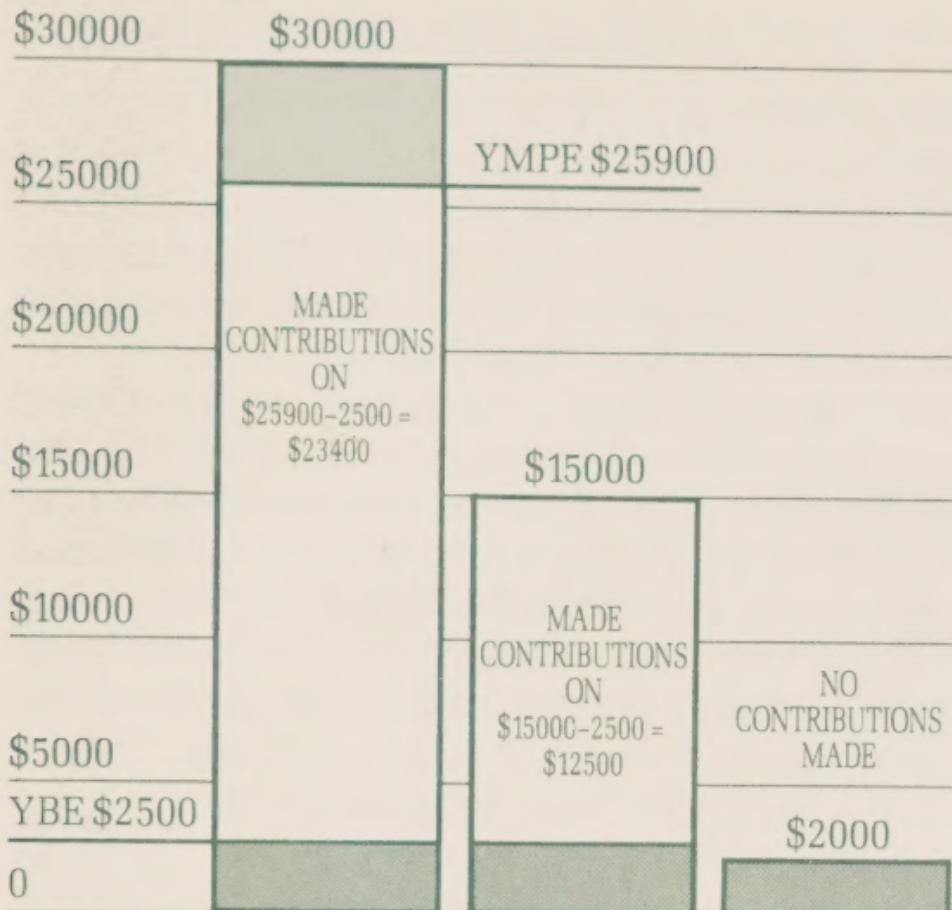
No. You contribute only on your earnings from salary or wages received as an employee or on your net earnings from self-employment as defined under the Income Tax Act.

No voluntary contributions can be made on your income from other sources to increase your coverage.

You contribute on your annual earnings above a minimum called the "**Year's Basic Exemption.**"

You do not contribute on earnings above a ceiling called the "**Year's Maximum Pensionable Earnings.**" This ceiling is approximately equal to the average Canadian wage. For example, if your 1987 earnings were \$30,000, you contributed as illustrated on the following page.

Earnings 1987



4. How much do I contribute?

Contributions are paid equally by you and your employer. If you are self-employed, you pay both shares. There is a 25-year schedule of rates.

The contribution rates for the years 1987 to 1991 are as follows:

YEAR	EMPLOYER	EMPLOYEE	SELF-EMPLOYED
1987	1.9%	1.9%	3.8%
1988	2.0%	2.0%	4.0%
1989	2.1%	2.1%	4.2%
1990	2.2%	2.2%	4.4%
1991	2.3%	2.3%	4.6%

5. How long can I contribute?

The length of time over which you can contribute to the Plan is called your "contributory period".

Your contributory period started the later of:

- January 1, 1966; or
- the month after your 18th birthday.

The date on which your contributory period will end depends on the benefit for which you apply. For retirement, survivor and death benefits your contributory period will end the earliest of:

- the month before your retirement pension starts; or
- the month of your 70th birthday; or
- the month of your death.

Your contributory period does not include any months you are considered to be disabled for CPP purposes.

6. How does Income Security Programs keep track of my contributions? Since the Plan began, the Income Security Programs has kept a record of all contributors' yearly pensionable earnings and contributions to the CPP and QPP. These records are updated regularly using information supplied by Revenue Canada, Taxation.

Your "Record of Earnings" is maintained under your Social Insurance Number and surname. Your contributions are credited to your Record of Earnings if there is a correct match of your name and Social Insurance Number. If you change your name after receiving a Social Insurance Number you should inform Employment and Immigration Canada of your new name. They in turn will provide the information to Income Security Programs.

7. Can I find out how much I have contributed? Yes. Approximately every 3 years you will automatically be sent an updated statement of the contributions and earnings on your Record of Earnings. You may also apply for a statement once in any twelve-month period. It is important that you check your statement to ensure that it is accurate and complete. If there are any errors you should contact an Income Security Programs, Client Service Centre as soon as possible. The sooner errors are identified, the easier they are to investigate.

8. What happens if I have contributed to the Quebec Pension Plan? If you only contributed to the Quebec Pension Plan or if you contributed to both Plans and you are a resident of Quebec when you apply for your pension, you should apply under the Quebec Pension Plan. You should contact La Régie des Rentes du Québec, P.O. Box 5200, Quebec, Quebec, G1K 7S9. In all other cases, you should apply to Income Security Programs. Regardless of where you apply, your benefits are calculated on your total contributions to both Plans.

9. What happens if I have lived or worked outside Canada?

The Canada Pension Plan is included in the international social security agreements which Canada has concluded with a number of countries. These agreements co-ordinate the Canada Pension Plan with comparable programs operating in those countries. Such an agreement may help you qualify for social security benefits from another country in which you have lived and/or worked. It may also help you meet the minimum contributory requirements to qualify for a CPP survivor's pension. If you have resided in another country, contact an Income Security Programs, Client Service Centre for further information.

B CPP Survivor Pensions

10. What are CPP Survivor Pensions?

A survivor pension is a benefit which is payable to the estate, the surviving spouse and the dependent children of a deceased CPP contributor.

11. What kind of Survivor Pensions are payable?

There are three types of survivor pensions:

- Surviving Spouse's Pensions;
- Orphans' Benefits;
- Death Benefit.

A Surviving Spouse's pension is a monthly pension for the surviving spouse of a deceased contributor.

Orphans' benefits are flat-rate monthly benefits provided for the dependent child(ren) of deceased contributors.

The death benefit is a lump-sum benefit payable to or on behalf of the estate of the deceased contributor.

12. Who would my survivors be?

Your surviving spouse can be your legal or common-law spouse. Your common-law spouse must have been living with you in a conjugal relationship for at least the year before your death. A separated legal spouse will be eligible except

where an eligible common-law spouse applies for the benefit.

Your child is your natural child, a child whom you have adopted legally or in fact and a child who is in your custody and control. To qualify for benefits, he/she must be under age 18, or age 18 to 25 and in full-time attendance at school or university.

13. How long must I contribute before my survivors would be eligible for benefits? For your survivors to be eligible, you must have made contributions in at least three years. If your contributory period is more than nine years long, you must have contributed in the lesser of one third of the calendar years in your contributory period or in ten calendar years.

14. How much will my surviving spouse receive?

The amount of your surviving spouse's pension is related to the amount of your retirement pension. Your retirement pension is based on your pensionable earnings under the Plan. The maximum retirement pension payable to a contributor at age 65 is about 25% of the average wage.

If your surviving spouse is age 65 or over, the survivor benefit will be equal to 60% of your retirement pension.

If your surviving spouse is age 45 to 64 at the time of your death, the benefit will be a flat-rate portion plus 37.5% of your retirement benefit. The same benefit would be paid if your surviving spouse were under age 45 and disabled or under age 45 and rearing a dependent child.

If your surviving spouse is under age 45, is not disabled and has no dependent children, the benefit will be reduced by $\frac{1}{120}$ th for each month he or she is under 45 at the time of your death.

If the surviving spouse is under age 35, is not disabled, has no dependent children and does not subsequently become disabled, he or she will not be entitled to a survivor benefit until reaching age 65.

15. How much is the Death Benefit? The amount of the death benefit is the lesser of six (6) times your monthly retirement

pension or 10% of the Year's Maximum Pensionable Earnings for the year the death occurs.

16. How much is the Orphan's Benefit?

The orphan's benefit is a flat-rate monthly amount. A child may receive up to two flat-rate benefits under the CPP, if both parents were CPP contributors and are either deceased or disabled and if all conditions of eligibility are met with respect to both benefits.

C Applying for Your Survivor's Pension

17. When should I apply?

You should apply for each of these benefits as soon as possible after the contributor's death. Failure to apply within a year of the date of death will result in lost benefits. Benefits are payable from the month following the contributor's death.

18. Who should complete the application?

If for any reason you are unable to or incapable of applying, your representative may apply for the survivor's pension on your behalf.

If you are caring for a contributor's dependent child under 18 years of age, you may apply for a benefit on behalf of that child.

If you are a dependent child and you are 18 to 25 years of age, you or your representative may apply on your behalf.

The executor, or a representative of the estate, should apply for the death benefit. If there is no estate, the surviving spouse, the next of kin or the person responsible for the funeral expenses may apply.

19. What documentation must be submitted with the application(s)?

When applying for your benefit(s), you will have to provide some or all of the following, unless Income Security Programs has this information on file:

- proof of age of the deceased contributor;
- proof of death of the deceased contributor;
- proof of age of the surviving spouse;

- proof of marriage or proof that the surviving spouse lived as husband or wife with the deceased contributor;
- proof of age of any eligible child(ren);
- proof of full-time attendance at school or university for those children who are between 18 and 25.

When you apply for your pension, you may wish to provide details of your late spouse's wages and contributions for the current year and the previous year. You can use T4 slips as proof or ask each employer for whom your spouse worked during those two years to complete a "Statement of Contributory Salary and Wages". If your spouse was self-employed, you may submit copies of Income Tax Returns and Assessment Notices from Revenue Canada, Taxation.

The instruction sheets for completing the application forms provide more detailed information on how to complete the application(s) and on acceptable documentation.

D *Receiving your Survivor's Pension*

20. When will my pension begin?

Survivor pensions and orphans' benefits are payable from the month following the month of death. In the case of a delayed application, retroactive benefits are payable for up to 12 months including the month in which the application is received.

21. Will remarriage affect my Survivor Benefit?

No. The rules on remarriage changed effective January 1, 1987. You can now continue to receive survivor benefits even if you remarry.

If you remarried before January 1, 1987 and lost your entitlement to a survivor benefit under the previous rules, you can apply to have your benefit reinstated. There are, however, no retroactive payments prior to January 1, 1987.

22. When can I expect my cheques?

CPP cheques will usually arrive in the last 3 banking days of each month. If you do not receive your cheque within the next week or if you lose your cheque, contact an Income Security Programs, Client Service Centre.

23. Can my cheque be sent to my bank? Yes. If you would like to have your CPP survivor pension or orphan's benefit cheque deposited directly in your bank account, inform Income Security Programs. Give your bank's name and mailing address including the postal code, and the deceased contributor's Social Insurance Number. You may wish to inform your bank that you have made this request.

24. Can I receive my Benefit outside Canada? Yes. A CPP survivor pension is payable in Canadian dollars wherever you live, providing you continue to meet the eligibility conditions.

25. What happens if I change my address? To assure the continued delivery of your benefit cheques, please notify an Income Security Programs, Client Service Centre as soon as possible of your new address and include your name, the deceased contributor's Social Insurance Number and your previous address. Remember to include your new postal code.

26. Will I get cost-of-living increases? Yes. Once your pension and any children's benefits are in pay, the amount will be adjusted each January. The change will reflect the increases in the cost of living as measured by the Consumer Price Index.

27. Is the Orphan's Benefit affected if my child marries? No. If your child marries, he/she will not lose entitlement to the benefit provided that he/she continues to meet all other eligibility conditions.

28. What happens when my child reaches age 18? When your child reaches age 18, he/she can continue to receive the benefit up to age 25, if he/she is in full-time attendance at school or university. He/she must complete a "Child's Benefit" application form and a "Declaration of Full-time Attendance at School or University".

- 29. When will my Survivor Benefits cease?** As a surviving spouse, your payments end:
- if you are still under 35 and
 - are no longer disabled or
 - you no longer have dependent child(ren) or
 - with the month of your death.

30. When will the Orphan's Benefit cease?

Benefits are suspended if:

- your child reaches age 18 and is not in full-time attendance at school or university (apart from normal vacations or brief absences).

Benefits may be reinstated without retroactivity if:

- the child goes back to school or university full-time.

Benefits cease if:

- the child dies or
- reaches age 25.

E Combined Retirement and Survivor Pensions

- 31. Can I receive both a Survivor Pension and a Retirement Pension at the same time from the CPP?** Yes. If both you and your spouse contributed to the Plan, you could be entitled to a survivor's benefit on the death of your spouse and to a retirement pension in your own right.

- 32. How much would my Survivor-Retirement Pension be?** The amount of your combined Retirement-Survivor pension depends on your age when you become eligible for the second benefit.

- If you are not yet age 65 when you become entitled to the second benefit, the amount of your combined pension cannot exceed **the lesser of**:
- your retirement pension plus your survivor benefit; or
 - the maximum retirement pension payable to a 65-year-old, plus the survivor pension flat-rate amount.

If you are 65 or older the amount of your com-

bined pension, before adjusting for a late retirement, cannot exceed **the lesser of:**

- your retirement pension plus your survivor pension; or
- the maximum retirement pension payable to a 65-year-old.

If you are not exactly 65 years old when you begin receiving your retirement pension, your combined pension will be calculated first, then your retirement pension will be adjusted to take your early or late commencement date into account.

F Combined Disability and Survivor Pensions

33. Can I receive a Survivor and a Disability Benefit from the CPP at the same time?

Yes. If you and your spouse both contributed to the Plan, you could be entitled to both these pensions.

34. How much would my total Survivor-Disability Pension be?

Your total Survivor/Disability pension amount cannot exceed:

the larger of the flat-rate parts of the survivor or disability pensions;

plus the lesser of,

- a) 75% of your own retirement pension and 37½% of your spouse's retirement pension; or
- b) the maximum retirement pension payable to a 65-year-old.

G Appealing a Decision

35. What can I do if I don't agree with a CPP decision?

You have the right to appeal any decision affecting your CPP benefits.

If you wish to appeal a decision on your benefits you must do so in writing to the Minister of National Health and Welfare, within 12 months of receiving the decision.

If you are not satisfied with the decision reached by the Minister, you may continue to appeal. You may appeal to a Review Tribunal and then to the Pension Appeals Board.

H Protecting Your Information

36. How does the CPP protect information about me? Information about you is protected by the Canada Pension Plan legislation. No information, other than that which is needed to determine your entitlement to a benefit will be requested. The legislation also specifies that any such information can only be provided to those government agencies which are specifically entitled to receive it. It will not be available to private agencies or individuals.

37. How else is information about me protected? In addition, the Access to Information Act prohibits disclosure of your records without your consent, unless it is already publicly available or unless the disclosure is in accordance with the Privacy Act. Except under certain conditions (such as to comply with a warrant or subpoena or to enforce a law), the government can only use information for the purpose for which it was collected.

38. Can I have access to the information on my file?

Yes. You have the right to request access to any information about you which is on federal government files. To help you obtain this information, the government has published an Index of Personal Information. The index and information request forms can be found in those government offices which are open to the public, public libraries, most rural post offices and in Canadian missions abroad.

The information contained on all Canada Pension Plan survivor pension applications is in Personal Information Bank NHW/P-PU-145.

I Taxation and Your Survivor's Pensions

39. Are my Survivor's Pensions taxable? **Yes.** Like most other pensions, your CPP survivor's pensions are considered to be taxable income and you are,

therefore, required to pay income tax on them.

If you have sufficient income in a year to require that you pay income tax, you can request the deduction of income tax from your pension each month. The necessary forms can be obtained from any Income Security Programs, Client Service Centre, or from a Revenue Canada District Taxation Office. If you do not request these monthly deductions, you are required, by the Income Tax Act, to pay your income tax by quarterly installment. For more information contact a Revenue Canada District Taxation Office.

Early each year, usually with the January cheque, you will receive a T4A(P) slip showing the amount of the CPP pension you received during the previous year. This slip is used in completing your Income Tax return and in the calculation of your income tax. It must be submitted with your income tax return.

J Other Public Benefits for Survivors

40. Are there other Survivor Benefits for which I may be eligible? Yes. Income Security Programs also administers the universal Old Age Security (OAS) program. Under that program, income-tested Spouse's Allowances are payable to low-income widows and widowers aged 60 to 64, if they apply and if they meet the residence requirements. Your Canada Pension Plan benefits are taken into account when this income-tested benefit is calculated. For further information on the Spouse's Allowance, contact an Income Security Programs, Client Service Centre.

41. Are there any other Government Benefits for which I may be eligible?

Yes. You may be entitled to benefits from other federal programs such as War Veterans Allowances, of Veterans Affairs Canada. Other forms of income assistance and service may be available from your provincial and municipal governments. Please consult your local authorities for further information.

K More CPP Information

42. What other information is available on the CPP? The following booklets on other aspects of your Canada Pension Plan are available from Income Security Programs, Client Service Centres:

RETIREMENT PENSION
DISABILITY BENEFITS

Fact sheets are available on:

RETIREMENT PENSION
DISABILITY BENEFITS
DIVISION OF UNADJUSTED PENSIONABLE EARNINGS
FINANCING THE CANADA PENSION PLAN

Information is also available on the Old Age Security and Family Allowances programs.



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